

ER
ER 61-6924

25 August 1961

Y. M. Macy
Mr. Robert M. Macy
Chief, International Division
Bureau of the Budget
Washington 25, D. C.

Dear Bob:

I am enclosing a copy of the report by the Director of Central Intelligence on the status of actions taken to implement all of the Joint Study Group recommendations as of 21 August 1961.


I thought you would find it of special interest both in your official position and as a former member of the Joint Study Group. Of course, it is also for your use in informing the Director of the Bureau of the Budget.

As you will note, the Coordination Staff recommended by the Joint Study Group now has a community-wide membership, and is actively engaged in following up on JSG recommendations and trying to help solve other interagency coordination problems.

With best regards.

Sincerely,

SIGNED


Assistant for Coordination

25X1

Enclosure

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EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

WASHINGTON 25, D. C.

AUG 18 1961

Honorable Allen W. Dulles
Director of Central Intelligence
Central Intelligence Agency
Washington 25, D. C.

25 aug 61

(8/25)

Dear Mr. Dulles:

In accordance with the regular annual practice, Bureau of the Budget Circular No. A-11 has been issued giving detailed technical instructions for the preparation of the 1963 budget. This letter is intended to provide further guidance.

For purposes of budget planning, we should assume a continuation of economic recovery from the recent recession and the maintenance of economic conditions at relatively full employment levels once they are reached. Although the demands that might be made upon us by the developing international situation are still unclear, the present budget assumption is that there will be no further military expenditures beyond those contemplated at the time of the President's supplemental appropriation request of July 26, 1961. Consistent with these assumptions, the President has instructed us to prepare a balanced budget for 1963.

This will require strict attention to expenditures in all departments and agencies. The guiding principle in preparing each budget submission should be to provide at minimum cost for only the activities essential to carry out existing law and the most urgently needed new legislation. The President wishes special attention be given to reducing, deferring, or eliminating relatively low priority items, and to holding down costs by improved management, organization, and manpower utilization. All budget requests will be stringently reviewed in the light of the President's overall fiscal objectives and priorities, and the needs in other agencies of the Government.

The budget review this fall will be concentrated on fiscal year 1963. However, the budget submission for your agency is to be developed in the framework of a longer range view through the fiscal year 1966, as set forth in Bureau of the Budget Circular No. A-11. This will enable the President to evaluate the future effects of the decisions he makes for the 1963 budget. We expect to work with you along these lines and thereby extend and refine longer range program and budget planning to our mutual advantage.

Please make your detailed budget submission in September complete and support it with all required schedules and justifications. It should not be assumed that additional requests for 1963 will be considered later.

Budget

In view of the fact that the 1963 budget will be the first complete budget of this administration, I hope you will view its preparation as an opportunity for you to give thorough consideration to the policy and management problems of your agency, and that you will devote your personal attention to helping the President develop the best possible program and fiscal plan for the Government for the coming years. The Bureau of the Budget will, of course, cooperate with you in this effort to the maximum extent.

Sincerely yours,

David E. Bee

Director

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MEMORANDUM FOR: Mr. Dulles

A copy of this letter has already been sent to the DD/S for necessary action. After you have noted, we will show this to General Cabell.

AAB
21 August 61

(DATE)

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